



Energy Fuels Resources Corporation
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5103710058

Mike

March 20, 2014

Mr. Ted McDougall
Bureau of Land Management
Monticello Field Office
365 North Main Street
Monticello, Utah 84535

RECEIVED

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DIV. OF OIL, GAS & MINING

Regarding: Interim Management Plan for Sage Mine UTU-69788

Dear Ted:

Attached please find Energy Fuels Resources Corporation's (Energy Fuels) Interim Management Plan for the Sage Mine located in San Juan County, Utah.

Due to the current market price of uranium, Energy Fuels has suspended operations at the mine until market conditions become more favorable. In the meantime, the Sage Mine facilities will be maintained in a safe and environmentally acceptable condition in accordance with 43 CFR Part 3809.401 and this Plan.

Please contact me at 303-389-4133 or areither@energyfuels.com if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads 'Andrea Reither'.

Andrea Reither
Environmental Permitting Specialist

cc: Paul Baker, Mike Bradley (UDOGM)
F. Filas, J. Massey, D. Turk, R. Fisher (Energy Fuels)

**SAGE MINE (UTU69788)
INTERIM MANAGEMENT PLAN
ENERGY FUELS RESOURCES (USA) INC.
SAN JUAN COUNTY, UTAH**



**Prepared By:
ENERGY FUELS RESOURCES CORPORATION**



**225 Union Boulevard, Suite 600
Lakewood, Colorado 80228**

March 2014

1.0 INTRODUCTION

The mineral commodity markets tend to be cyclical, that is, prices rise and fall substantially over periods of years. In the uranium market for example, high prices in the late 1970s gave way to very low prices in the early 1990s, with spot prices falling below the cost of production for most mines. In 1996 spot prices recovered to the point that many mines could produce profitably, though prices soon declined again and only started to recover strongly late in 2003. In the past, these market fluctuations have led to a series of temporary suspensions followed by re-opening of mines when uranium prices increased.

Interim management of the mines protects BLM lands from undue degradation during periods of non-operation. In the event that market conditions or other circumstances require a temporary suspension of mine operations at the Sage Mine, Colorado Plateau Partners LLC, an affiliate of Energy Fuels Resources Corporation (Energy Fuels), will provide notice to the BLM. During non-operating periods, Energy Fuels will maintain the buildings, drainage structures, roads, and other surface facilities in a safe and environmentally acceptable condition. Underground openings, gates, and buildings will be locked to discourage unauthorized access when Energy Fuels mine personnel are not present.

In the event of temporary suspension of operations, in order to prevent unnecessary or undue degradation, the following plan will be followed by Energy Fuels in accordance with 43 CFR Part 3809.401, Section (b)5.

2.0 MEASURES TO STABILIZE EXCAVATION AND WORKINGS

The underground workings will be stabilized in accordance with Mine Safety and Health Administration (MSHA) regulations. Roof bolts, mats, wire mesh, cribbing and other types of support will be installed, as needed, to stabilize the back and ribs. Equipment will be removed from immediate working faces and from lower areas of the mine where water may collect. Mine portals and adits will be gated and locked or backfilled during periods of non-operation. Vent holes will have metal diffusers and metal grates to prevent access to them. These diffusers and grates will remain in place during periods of non-operation. The mine is an underground mine; therefore, no trenches or pits are excavated during mining operations, and stabilization is not required.

Exploration drill holes are typically closed following exploration drilling and it is unlikely that drill holes would remain open for longer than 30 days. In the event that exploration drilling holes are open during a period of non-operation, the holes will be abandoned in accordance with Rule 647-4-108 of the Utah Administrative Code (UAC) and BLM best management practices.

The surface area will be maintained in accordance with best management practices implemented at similar facilities. Areas exhibiting erosion will be repaired periodically. Ditches, culverts and other surface drainage features will be inspected quarterly and cleaned out as needed. Energy Fuels Field Personnel will inspect the mine area on a periodic basis during temporary suspension to verify that there has not been any vandalism at the mine. Signage related to public health and safety will remain in place.

3.0 MEASURES TO ISOLATE OR CONTROL TOXIC OR DELETERIOUS MATERIALS

Potentially toxic materials on site during routine operations may include diesel fuel, gasoline, oil products (i.e., motor oil, hydraulic oil, gear oil, and used oil), starting fluid, and antifreeze. Prior to use and storage of these materials, a Spill Prevention, Control, and Countermeasures Plan (SPCC Plan) will be prepared and approved. Potentially toxic materials will be stored and used on site in accordance with the provisions of that plan. . In the event of temporary suspension of mining activities, any unnecessary fuel and deleterious materials will be removed from the site and either used, recycled, or disposed of in accordance with state and federal regulations. Fuel tanks that have been emptied will typically remain on site within their secondary containment and be marked as empty. Stormwater runoff from the waste rock pile may also be deleterious and is controlled with berms and other sediment control methods (e.g. silt fence, straw bales), as necessary.

4.0 PROVISIONS FOR THE STORAGE OR REMOVAL OF EQUIPMENT, SUPPLIES AND STRUCTURES

Equipment and supplies at the mine will be removed from site, or will be placed into locked storage buildings. No equipment or supplies will remain outside of mine buildings or outside of the workings. The buildings will be monitored periodically to ensure that vandalism has not occurred.

5.0 MEASURES TO MAINTAIN THE PROJECT AREA IN A SAFE AND CLEAN CONDITION

The site will be kept clean and free of litter and debris. Trash, used tires, old equipment parts, empty barrels, and other miscellaneous materials will be removed from the site and either recycled or disposed of properly. Site safety will be maintained by discouraging unauthorized access through the use of warning signs, and security personnel, as necessary.

During periods of temporary suspension, equipment and materials will either be removed from the site, or placed inside locked buildings. The ore will be removed from the surface and transported to a licensed processing mill or placed underground. Surface areas, including but not limited to, the waste rock stockpiles, structural storm water controls, and earthen berms will be repaired prior to suspension and maintained, as needed, during the suspension period. The mine office and shop will be locked and monitored periodically.

6.0 PLANS FOR MONITORING SITE CONDITIONS DURING PERIODS OF NON-OPERATION

As detailed above, this Plan meets the requirements of 43 CFR 3809.401(b)(5)(v) to establish a plan for monitoring the mine during periods of non-operation.

During periods of non-operation, Energy Fuels will maintain mine facilities in a safe and environmentally acceptable condition. The mine facilities area, buildings, portals, adits, vent holes, roads, and sediment controls will be monitored on a periodic basis. Maintenance of facilities will occur at the mine, as needed, following inspections. In addition, the mine's permits will be maintained during suspension and Energy Fuels will continue to maintain compliance with the permit requirements.

7.0 SCHEDULE OF TEMPORARY CLOSURE

Due to market conditions, the Sage Mine stopped producing ore in the 1990s. In 2012, Energy Fuels began an effort to update the permits and expand the permitted area. This effort included installing 3 groundwater monitoring wells, conducting baseline groundwater sampling, preparing a water treatment plant design, developing a groundwater discharge permit application, and completing biological, soils and cultural resource studies. In addition to these permit preparation activities, extensive site maintenance was completed in the fall of 2012. In August of 2013, Energy Fuels completed extensive modifications to site drainage controls. This included construction of catchment ponds, installation of water bars, and additional portal maintenance. Mining is expected to recommence when market conditions are more favorable. During this non-operating period, Energy Fuels will maintain the buildings, drainage structures, roads, and other surface facilities in a safe and environmentally acceptable condition in accordance with this Plan.

8.0 CONTACT DURING TEMPORARY CLOSURE

During this period of temporary closure, the following contact information should be used:

Race Fisher
Mine Superintendent
Office phone: (970) 677-2702
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